Case5:11-cv-01210-HRL Document41 Filed10/12/11 Page1 of 29 Tetsuya Joe Nomura 3288 Pierce Street, Suite C129 Richmond, CA 94804-5952 2011 OCT 12 A 10:23 Tel: (510) 200-4381 VoD.JN@gmx.us Plaintiff, Pro Se UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA SAN JOSE DIVISION Tetsuya Joe Nomura, Case No.: C11-01210 HRL PLAINTIFF'S NOTICE OF MOTION AND AMENDED MOTION TO DISMISS COUNTERCLAIMS AND Plaintiff and Counterdefendant. STRIKE AFFIRMATIVE DEFENSES AND FOR SUMMARY JUDGMENT AND [PROPOSED] ORDER VS. AMAZON.COM, INC., Defendant and Counterclaimant. Hearing Date: Tuesday, November 15, 2011 AND RELATED COUNTERCLAIMS Time: 10:00 am Judge: Hon. Howard R. Llovd Courtroom: 2,5th Floor

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28

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Plaintiff's Amended Motion to Dismiss Counterclaims and Strike Affirmative Defenses and for Summary Judgment and [Proposed] Order

Case No. CV 11-01210 HRL

TABLE OF CONTENTS

<u>Page</u>
TABLE OF CONTENTSi
TABLE OF AUTHORITIESiii
NOTICE OF MOTION AND MOTION1
STATEMENT OF ISSUES1
MEMORANDUM OF POINTS AND AUTHORITIES2
I. INTRODUCTION2
II. BACKGROUND3
III. LEGAL ARGUMENT4
A. Rule 12(b)(6) Standard4
B. Amazon's Affirmative Defenses Should Be Stricken5
1. Amazon's "First Affirmative Defense (Failure to State a Claim)" should be stricken5
2. Amazon's "Second Affirmative Defense (No Patent Infringement)", "Third
Affirmative Defense (No Indirect, Contributory or Induced Infringement)", "Fourth
Affirmative Defense (Patent Is Invalid)", and "Fifth Affirmative Defense (Patent Is
Unenforceable)" should be stricken5
3. Amazon's "Sixth Affirmative Defense (Substantial Non-Infringing Use)" should be
stricken6
4. Amazon's "Seventh Affirmative Defense (Prior Use Right)" should be stricken7
5. Amazon's "Eighth Affirmative Defense (Dedication to the Public)" should be
stricken8
6. Amazon's "Ninth Affirmative Defense (Limitation on Damages)" should be stricken.
8
7. Amazon's "Tenth Affirmative Defense (No Injunctive Relief)" should be stricken9
8. Amazon's "Eleventh Affirmative Defense (Failure to Properly Plead Willful
Infringement)" should be stricken 9
(i). "Willful Intent" or "Willful Infringement"10

9. Conclusion: Amazon's Affirmative Defenses should be stricken	14
(i). Patent Infringement Damages	
C. Summary Judgment, Rule 56 Standards	
CONCLUSION	
[PROPOSED] ORDER	
EXHIBIT 01	
"Amazon.com Help: Amazon Instant Video Terms of Use (Updated 2/22/2011)"	
EXHIBIT 02	
"First look: new Amazon Video on Demand delivers, with caveat"	
EXHIBIT 03.	
"End User: Prime Time for Amazon Instant Video"	
EXHIBIT 04	
"Amazon.com Help: Conditions of Use"	
EXHIBIT 05	
"Amazon.com Help, Non-Exhaustive List of Amazon Trademarks"	46
EXHIBIT 06	
"Amazon.com Help- Non-Exhaustive List of Amazon-affiliate Patents"	49
EXHIBIT 07	
Emails to and from Amazon Counsel, Bryan Sinclair, on Monday, September 19, 2	01151
	-

TABLE OF AUTHORITIES

CASES

൚	
,	
~	

1

3

4	<u>P</u>	age
5	Anderson v. Liherty Lobby, Inc., 477 U.S. 255 (1986)10,	, 19
6	Aro Mfg. Co. v. Convertible Top Co., 377 U.S. 476, 507 [141 USPQ 681] (1964)	15
7	Ashcroft v. Iqbal, 129 S. Ct. 1937 (2009)	1
8	Bai v. L & L Wings, 160 F.3d 1350, 1353 (Fed. Cir. 1998)	20
9	Balistreri v. Pacifica Police Dep't., 901 F.2d 696, 699 (9th Cir. 1988)	4
.0	Bell Atl. Corp. v. Twombly, 550 U.S. 544 (2007)	1, 4
.1	Bell Atl. Corp. v. Twombly, 550 U.S. 555 (2007)	4
.2	Bell Atl. Corp. v. Twombly, 550 U.S. 557 (2007)	2
.3	Cahill v. Liberty Mut. Ins. Co., 80 F.3d 336, 337-38 (9th Cir. 1996)	4
- 1		

Celotex Corp. v. Catrett, 477 U.S. 317, 323, 106 S.Ct. 2548, 2553, 91 L.Ed.2d 265 (1986)......18

Coinstar, Inc. v Coinbank Automated Systems, C97-20536-EAI (N.D. Cal. Jan. 26, 1998).......18

Grosz v. Lassen Cmty. College Dist., 572 F. Supp. 2d 1199, 1207 n.11 (E.D. Cal. 2008)............4

In re Seagate, 497 F. 3d 1360 (Fed. Cir. 2007)......17

Kori Corp. v. Wilco Marsh Buggies and Draglines, Inc., 761 F.2d 649 (Fed.Cir.1985)......15

Mag Instrument, Inc. v. JS Prods., 595 F. Supp. 2d 1102, 1107 (C.D. Cal. 2008).....5

(W.D. Wash. Jun. 21, 2010)......10

Eon-Net LP v. Flagstar Bancorp, No. 2:05-CV-2129, Judgment (ECF No. 200)

17

18

15

16

19 20

22 23

21

2425

26 27

27 28

Markman v. Westview Instruments, Inc., 52 F.3d 967, 979 (Fed. Cir. 1995) (en banc),

106 S.Ct. 1348, 1356, 89 L.Ed.2d 538 (1986)......18, 19

-iii-

1	Polaroid Corp. v. Eastman Kodak Co., 1481, 1484 [16 USPQ 2d] (1990)15, 17
2	Radio Corp. of America v. Radio Engineering Laboratories, Inc., 293 U.S. 1 (1934)2
3	Rheox, Inc. v. Entact, Inc., 276 F.3d 1319, 1324 (Fed. Cir. 2002)20
4	Rite-Hite Corp. v. Kelley Co., 56 F.3d 1538, 1544-49 (Fed Cir. 1995) (en banc)17
5	Uniloc USA, Inc. v. Microsoft Corp., decided Jan. 04, 2011 (2010-1035, -1055)16
6	Wyshak v. City Nat'l Bank, 607 F.2d 824, 827 (9th Cir. 1979)5
7	
8	RULES
9	<u>Page</u>
10	Fed. Rule of Civ. Proc. 8
11	Fed. Rule of Civ. Proc. 8(a)5
12	Fed. Rule of Civ. Proc. 9(b)5
13	Fed. Rule of Civ. Proc. 12(b)(6)1, 4
14	Fed. Rule of Civ. Proc. 12(f)1
15	Fed. Rule of Civ. Proc. 56
16	Local Rule 16-9(a)12
17	
18	STATUTES
19	<u>Page</u>
20	35 U.S.C. § 100 et seq., including but not limited to 101, 102, 103, 112, and 2521, 4
21	35 U.S.C. § 23510
22	35 U.S.C. § § 154 and 286-28814
23	35 U.S.C. § 284
24	
25	
26	
27	
28	
	-iv-

0

NOTICE OF MOTION AND MOTION

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on Tuesday, November 15, 2011 at 10:00 am or as soon thereafter as the matter may be heard, in the courtroom of the Honorable Howard R. Lloyd, United States District Court, 280 S. First Street, San Jose, CA 95113, Plaintiff Tetsuya Joe Nomura ("Nomura") will move the Court for an order dismissing the Counterclaims of Defendant Amazon.com, Inc. ("Amazon") pursuant to Fed. Rule of Civ. Proc. 12(b)(6), and for an order striking the Affirmative Defenses pursuant to Fed. Rule of Civ. Proc. 12(f), and for an order of Summary Judgment pursuant to Fed. Rule of Civ. Proc. 56. These motions are based on the Notice of Motion and Motion, the supporting Memorandum of Points and Authorities, all pleadings on file in this action, oral argument of counsel, and any other matter(s) that may be submitted before and during the hearing.

STATEMENT OF ISSUES

Plaintiff *Nomura* respectfully brings this motion to dismiss *Amazon*'s two (2) Counterclaims –asking for declaratory judgment(s)– that allege the Defendant does not, directly or indirectly, infringe any valid enforceable claim of the '622 patent either literally or by application of the doctrine of equivalents and then restates the same generic general claim, again while adding patent invalidity for failure to meet the conditions of patentability of and to otherwise comply with of one or more of 35 U.S.C. § 100 *et seq.*, including but not limited to 101, 102, 103, 112, and 252. Defendant's counterclaims fail to meet the standards set forth in *Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007) and *Ashcroft v. Iqbal*, 129 S. Ct. 1937 (2009).

Similarly, this motion respectfully requests the Defendant's affirmative defenses be stricken because they are stated in general and conclusory terms and fail to give Plaintiff sufficient notice of the defenses. See *Quabon.com*, *Inc. v. eHelp Corp.*, 315 F. Supp. 2d 1046, 1049 (N.D. Cal. 2004). Defendant's deficient counterclaims and affirmative defenses also fail to provide a sufficient level —or any level, for that matter— of evidence in support thereof, all of which provides sufficient leave for this Court to dismiss said counterclaims and strike said defenses—post-haste.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff *Nomura* applied for United States patent registration on December 15, 2000. On August 07, 2007, United States Patent No. 7,254,622 (herein "'622") was duly and legally issued for Plaintiff *Nomura*'s computer implemented invention (herein "CII") entitled "VIDEO-ON-DEMAND SYSTEM" (herein "VoD"). Plaintiff *Nomura* was assigned the '622 patent and continues to hold all rights and interest in said '622 patent. A true and correct copy of the '622 patent (including the official "Certificate of Correction") is attached to Plaintiff *Nomura*'s amended complaint, submitted Aug. 26, 2011, as EXHIBIT 01 [Dkt. No. 34].

The two (2) counterclaims, appended by Defendant *Amazon* to its Answer, fail to describe anything approaching the "burden of proof" that patent '622 is invalid and unenforceable. In fact, Defendant's recent pleading, read in the light most favorable to *Amazon*, simply alleges, in broad grossly general terms, that: 1) *Amazon* has not infringed; and 2) patent '622 is invalid and unenforceable; and/or 3) if patent '622 is valid and enforceable, then *Amazon* claims "First Use" and/or "Dedication to the Public" rights.

Moreover, *Amazon* has, to date, proffered no material facts and no evidence –factual or otherwise– to support any of their claims -or- more importantly, as the Honorable Justice Thomas concurred, *Amazon* has failed to meet the "heightened standard of proof set forth in *Radio Corp. of America v. Radio Engineering Laboratories, Inc.*, 293 U. S. 1 (1934)—which has never been overruled by this Court or modified by Congress—applies" as required for proving such alleged patent invalidity, as decided June 09, 2011 by the United States Supreme Court in *Microsoft Corp. v. i4i Limited Partnership Et Al.*, (No. 10-290) 598 F. 3d 831 (2011).

Claimants, like *Amazon* here, must allege sufficient facts to "plausibly suggest[] that the pleader is entitled to relief." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 557 (2007). Ignoring this standard, *Amazon*'s counterclaims simply incorporate all the preceding paragraphs and then allege, in bare conclusory terms, that *Amazon* has not or does not infringe while also alleging in vague formulaic claims that Plaintiff's '622 patent fails to meet certain patentability standards of 35 U.S.C. All of *Amazon*'s counterclaims –which do not even attempt to include specific factual

allegations- fall far short of the Twombly standard and should, therefore, be dismissed.

In any event, *Amazon* should not be able to use these general conclusory counterclaims as a way to substitute and delegate —onto this Court—*Amazon*'s own responsibilities and obligations to prove its inadequately-pled claims in this case. Because those claims have little-to-no factual content, or evidentiary support, it is impossible to tell what facts support said claims and whether, for example, they are another way to simply allege that Plaintiff's '622 patent is "invalid and unenforceable". Therefore *Amazon*'s counterclaims should be dismissed-post-haste.

II. BACKGROUND

Filing suit on March 11, 2011 [Dkt. No. 01]- Plaintiff *Nomura* brought this action against the Defendant to stop *Amazon*'s illegal unauthorized use –of the *CII* (computer implemented invention) described, claimed, and disclosed in Plaintiff *Nomura*'s '622 patent– without license or lawful right. *Amazon*'s willful infringement –as it has been discovered– includes but is not limited to, *Amazon*'s business(es), process(es), method(s), and technology(ies) –or significant portions thereof– used directly or indirectly by *Amazon*, its affiliates and third-parties, throughout the State of California, the United States, and most other countries in the world. *Amazon* moved, repeatedly, to dismiss with prejudice Plaintiff's complaint, in its entirety. Instead, Plaintiff was granted a motion to dismiss with leave to amend. On August 26, 2011, Plaintiff submitted –on time and as required– an amended complaint, which identifies the ways and means by which *Amazon* is, in fact, infringing Plaintiff *Nomura*'s '622 patent as well as Plaintiff's specific prayers for relief. Plaintiff *Nomura* also submitted relevant factual evidence in support thereof.

In response to Plaintiff's amended complaint, *Amazon* filed affirmative defenses and counterclaims on September 12, 2011 [Dkt. No. 35]. *Amazon* denied the vast majority of the factual allegations in Plaintiff *Nomura*'s amended complaint and asserted eleven (11) affirmative defenses without any factual allegations of their own. Also without any factual allegations, *Amazon* asserted two (2) counterclaims against Plaintiff, alleging *Amazon*'s complete innocence from any infringement. *Amazon* also, indirectly, claims—again, with no supporting evidence or facts—that Plaintiff *Nomura*'s '622 patent is invalid and unenforceable.

Amazon's counterclaims purport to incorporate gross generalizations like, "Amazon has not infringed and does not infringe, directly or indirectly, any valid and enforceable claim of the '622 patent either literally or by application of the doctrine of equivalents", and, "The '622 patent is invalid for failure to meet the conditions of patentability of and to otherwise comply with of one or more of 35 U.S.C. § 100 et seq., including but not limited to 101, 102, 103, 112, and 252."

Yet, beyond these bald pronouncements, *Amazon* has demonstrated little-to-no factual plausible actionable answers, claims, and defenses relevant to this case. Their responses are shallow hollow failed attempts at meeting the basic requirements under Fed. Rule of Civ. Proc. 8 to provide a "statement of the claim showing that the pleader is entitled to relief" or meeting the standards of Fed. Rule of Civ. Proc. 12(b)(6) that require factual allegations, not conclusions or generalizations.

The material facts submitted herein support and reinforce Plaintiff *Nomura*'s motion to dismiss all of *Amazon*'s counterclaims and strike all of *Amazon*'s affirmative defenses.

III. LEGAL ARGUMENT

A. Rule 12(b)(6) Standard

Claims can be dismissed under Fed. Rule of Civ. Proc. 12(b)(6) "based on the lack of a cognizable legal theory or the absence of sufficient facts alleged under a cognizable legal theory." *Balistreri v. Pacifica Police Dep't.*, 901 F.2d 696, 699 (9th Cir. 1988). To avoid dismissal, "plaintiffs must plead facts showing they are entitled to relief." *Grosz v. Lassen Cmty. College Dist.*, 572 F. Supp. 2d 1199, 1207 n.11 (E.D. Cal. 2008). "A plaintiff's obligation to provide the grounds of his entitlement to relief requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do." *Twombly*, 550 U.S. at 555 (internal quotation marks omitted). Although "all allegations of material fact are taken as true and construed in the light most favorable to the nonmoving party," *Cahill v. Liberty Mut. Ins. Co.*, 80 F.3d 336, 337-38 (9th Cir. 1996), a complaint or counterclaim must "raise a right to relief above the speculative level." *Twombly*, 550 U.S. at 555 (citations omitted).

Amazon's counterclaims allege no facts that, if true, either sufficiently prove Plaintiff

24

Nomura's '622 patent is actually invalid and unenforceable or sufficiently prove "an actual case or controversy exists between Amazon and Plaintiff as to whether the '622 patent is infringed by Amazon" for which any judicial declaration(s) would be necessary. Clearly, Amazon falls far short of meeting the standard set forth in Twombly and its progeny.

B. Amazon's Affirmative Defenses Should Be Stricken.

Amazon's Answer includes eleven (11) affirmative defenses which are also stated in general and conclusory terms. All of these affirmative defenses should be stricken. See *Quabon.com, Inc. v. eHelp Corp.*, 315 F. Supp. 2d 1046, 1049 (N.D. Cal. 2004) ("Affirmative defenses are governed by the same pleading standard as complaints."); see also *Wyshak v. City Nat'l Bank*, 607 F.2d 824, 827 (9th Cir. 1979) ("The key to determining the sufficiency of pleading an affirmative defense is whether it gives plaintiff fair notice of the defense."); *Mag Instrument, Inc. v. JS Prods.*, 595 F. Supp. 2d 1102, 1107 (C.D. Cal. 2008) (same).

1. <u>Amazon's "First Affirmative Defense (Failure to State a Claim)"</u> should be stricken.

Amazon's "First Affirmative Defense (Failure to State a Claim)" is so conceptually weak and exceptionally vague as to its broad unspecific references to/of Fed. Rule of Civ. Proc. 8 and Fed. Rule of Civ. Proc. 9(b) that it: 1) provides absolutely no clear context; 2) is neither cognizant, coherent nor cogent; and, therefore, 3) is lacking sufficient definitive clarity as to establish any appropriate potential defense or appropriate notice for such defense. Is Amazon alleging the Plaintiff has "failed to state a claim for relief" as in Fed. Rule of Civ. Proc. 8(a) and also alleging "fraud" and/or a "mistake" as in Fed. Rule of Civ. Proc. 9(b)? Who knows, because Amazon failed to clearly specify their intent. Respectfully, for the aforementioned reasons, Amazon's First Affirmative Defense should be stricken, post-haste.

2. <u>Amazon's "Second Affirmative Defense (No Patent Infringement)", "Third Affirmative Defense (No Indirect, Contributory or Induced Infringement)", "Fourth Affirmative Defense (Patent Is Invalid)", and "Fifth Affirmative Defense (Patent Is Unenforceable)" should be stricken.</u>

Amazon's "Second Affirmative Defense (No Patent Infringement)", "Third Affirmative Defense (No Indirect, Contributory or Induced Infringement)", "Fourth Affirmative Defense (Patent Is Invalid)", and "Fifth Affirmative Defense (Patent Is Unenforceable)" are, once again, stated in such vague, general, conclusory language —without any supporting evidence— such that these defenses —for the same reasons mentioned hereinbefore, including but not limited to the standards discussed in section (III)(A) of this document— should be stricken, post-haste.

Additionally, if it would please the Court to indulge some relevant hypothetical questions: 1) If patent '622 is invalid and unenforceable –as Amazon repetitiously alleges—then why has Amazon taken no action –past or present—to acquire their own "Video On Demand" patent or trademark which would better serve to protect their own past, present, and future business interests, especially when it's commonly know that Amazon aggressively trademarks, patents, and judiciously enforces such strategic legal options in order to better insure and protect the value of said business interests? 2) If patent '622 is invalid and unenforceable, then why would Amazon need to endure the tremendous expense –and potential risks associated therewith— of re-branding their perfectly descriptive aptly-named "Amazon Video On Demand" service to "Amazon Instant Video"?

3. <u>Amazon's "Sixth Affirmative Defense (Substantial Non-Infringing Use)" should be stricken</u>.

Amazon's "Sixth Affirmative Defense (Substantial Non-Infringing Use)" is so vague and unclear that it, like others, is nearly unintelligible. If the Plaintiff has properly interpreted its vagueness (and should not have to do so)- then, obviously, there are products or actions available via Amazon and its affiliates which have substantial uses that do not infringe or contribute to such infringement. However, such products or actions —and their uses—fail to negate Amazon's legal, ethical, and financial obligations to discontinue their willful continuing infringement of patent '622 by: 1) removing such infringement(s) from Amazon, their affiliates, third-parties and reimbursing Plaintiff for the time-period of said infringement(s), plus interest; or, 2) reimbursing Plaintiff for the time-period of said infringement(s), plus interest, and constructing a mutually agreeable license for all future royalties in order to continue Amazon's use of VoD.

 Plaintiff *Nomura* has consistently been very clear, and reasonable, on all claims of infringement against *Amazon*, its affiliates and third-parties. Plaintiff *Nomura* has consistently specified only *Amazon*'s media assets or objects —which contain video of any kind or format, including but not limited to, music and other entertainment videos, personal videos, video advertisements, video games and other types of interactive videos, and all other relevant video-related media assets—that are stored, temporarily or permanently, for download or streaming via *Amazon*, its affiliates and third-parties, are infringing patent '622. This also means that any media assets *Amazon* and its affiliates provide—directly or indirectly—to any "third- or other party(ies)" for download or streaming would also be infringing patent '622.

If, on the other hand, *Amazon* is attempting to convey in their Sixth Affirmative Defense –again in very general conclusory terms– that **if** they work from the presumption that patent '622 is invalid and unenforceable, then it is also logical to extend that presumption to a related conclusion in which said "products or actions accused of infringing have substantial uses that do not". Whatever their intent- such general conclusory presumptive assertions –also known as "wishful thinking"– especially those without any material facts and evidentiary support, are insufficient for proper legal pleadings. Respectfully, *Amazon*'s Sixth Affirmative Defense is so ambiguous, conclusory, and speculative that it should be stricken, post-haste.

4. <u>Amazon's "Seventh Affirmative Defense (Prior Use Right)" should be stricken.</u>

Amazon's "Seventh Affirmative Defense (Prior Use Right)" again is vague, general, and conclusory as well as completely unsubstantiated. Amazon has proffered no evidence —or even any factual claims— as to when video of any type or format, was available for download or streaming, via any type(s) of internet connection(s) or device(s), from their website or any of their affiliates' and/or third-parties' websites.

Plaintiff *Nomura*, on the other hand, here-to-date has proffered such proof. As officially declared in Plaintiff *Nomura*'s '622 patent (see Amended Complaint, EXHIBIT 01 [Dkt. No. 34]), the Filing date is "Dec. 15, 2000"; the first Publication date is "Jun. 20, 2002". The patent date is "Aug. 20, 2007". It is a documented official material fact that <u>each and every one of</u>

 these patent dates occur **PRIOR TO** Amazon's well-documented and publicized launch of their "Video On Demand" service as well as any other known deployment of related media assets which exist –within Amazon, its affiliates, and/or third-parties—for download via the internet.

Further more, if *Amazon* actually <u>did</u> have the "right of first use" as their claim alleges, then why did *Amazon* NOT seek any protection via patent or even simple trademark of "Video On Demand"? Respectfully, for the aforementioned reasons, *Amazon*'s Seventh Affirmative Defense should be stricken, post-haste.

5. <u>Amazon's "Eighth Affirmative Defense (Dedication to the Public)"</u> should be stricken.

Amazon's "Eighth Affirmative Defense (Dedication to the Public)" is again general, conclusory and baseless. If interpreted correctly, Amazon is essentially alleging within this 'defense' a substitution or back-up defense that if, in fact, patent '622 is valid and enforceable, then Amazon alleges it is not infringing that valid enforceable patent because Amazon now 'claims' they use ways and means that are not explicitly disclosed in or covered by said patent. Clever, yet fatally flawed.

If Plaintiff Nomura's patent '622 is invalid and unenforceable, as has been repeatedly stated, ad nauseam, in nearly ALL of Amazon's allegations, then "Dedication to the Public" is irrelevant and immaterial. Amazon has also completely and utterly: 1) failed to submit, or even describe, any material facts or supporting evidence that patent '622 is invalid and unenforceable; and/or, 2) failed to establish exactly how Amazon's ways and means differ from the disclosures made in and with patent '622. For the reasons mentioned hereinbefore, Amazon's Eighth Affirmative Defense should be stricken, post-haste.

6. <u>Amazon's "Ninth Affirmative Defense (Limitation on Damages)"</u> should be stricken.

Amazon's "Ninth Affirmative Defense (Limitation on Damages)" is merely a general recitation of law without any comprehensible context, material meaning, or discernible directive on how, or if, Plaintiff is, or is not, in violation of any parts thereof or if Plaintiff has the limitations of the stated laws. As such, once again, Amazon's Ninth Affirmative Defense is

 stated in such general conclusory language that it –for the same reasons mentioned hereinbefore, including but not limited to the standards discussed in section (III)(A) of this document– should be stricken, post-haste.

7. <u>Amazon's "Tenth Affirmative Defense (No Injunctive Relief)" should</u> be stricken.

Amazon's "Tenth Affirmative Defense (No Injunctive Relief)", is again stated in general conclusory terms that are alleged without any material facts or supporting evidence proffered by Amazon sufficient for proper pleadings even if such general and conclusory terms had not been used. Further more, Amazon's allegation that Mr. Nomura—now Plaintiff Nomura—"has not suffered any alleged irreparable injury" is spectacularly specious and factually false.

Try negotiating any feasible license or viable royalty agreements with intelligent savvy companies who already know your patent has been, and is still being, willfully infringed by major international corporations like *Amazon*. How long do you honestly believe it will take before said savvy companies begin laughing, if they even take a meeting or your call(s) at all?

In point of fact, long before any litigation- Mr. *Nomura* went to Google's Mountain View campus in order to personally notify Youtube and Google of his '622 patent as well as their past and present infringement thereof. Google's genius response was to have their security staff swiftly surround and rapidly remove Mr. *Nomura* promptly from their premises. This extremely embarrassing, phenomenally frightful, egregious experience was so distraughtly devastating that it became the genesis and impetus for Mr. *Nomura* to become Plaintiff *Nomura*.

Amazon's Tenth Affirmative Defense is stated in such general conclusory terms and is so sadly specious that it should, therefore, be stricken, post-haste.

8. <u>Amazon's "Eleventh Affirmative Defense (Failure to Properly Plead</u> <u>Willful Infringement)" should be stricken.</u>

Amazon's "Eleventh Affirmative Defense (Failure to Properly Plead Willful Infringement)" states, "Plaintiffs Amended Complaint fails to sufficiently allege that Amazon has willfully infringed patent '622. Specifically, Plaintiff fails to allege facts sufficient to demonstrate that Amazon's past, current, or future activities constitute infringement that is

willful. As a result, Plaintiff has failed to show this is an exceptional case and that Plaintiff is entitled to its fees under 35 U.S.C. § 285".

As with the previous defenses, this defense too is stated in general conclusory terms as well as being a rather confusing, inaccurate, misleading mishmash of gobbledygook. These reasons alone should provide sufficient grounds for striking *Amazon*'s Eleventh Affirmative Defense- post-haste.

However, if Plaintiff Nomura can adequately untangle, discombobulate, and interpret Amazon's possible intent- first, 35 USC § 285. Attorney fees simply states, in one simple sentence, "The court in exceptional cases may award reasonable attorney fees to the prevailing party." Nothing at all is stated about any need to show or prove "willful intent or "willful infringement". However, case law does suggest a need for proving "willful intent" in order to collect up to 3-times the actual damages —"treble damages"— assessed in such patent infringement cases. Case law also shows that a judge can assess such damages and/or attorney fees if the case or conduct justifiably warrants such, without necessarily any need by the Plaintiff to plead or prove "willful intent" or "willful infringement" See Anderson v. Liberty Lobby, Inc., 477 U.S. 255 (1986).

The U.S. Federal Circuit recently affirmed an award of attorneys' fees and sanctions against plaintiff Eon-Net (See *Eon-Net LP v. Flagstar Bancorp*, No. 2:05-CV-2129, Judgment (ECF No. 200) (W.D. Wash. Jun. 21, 2010) ("Final Judgment")) in excess of \$630,000. In an opinion written by Judge Lourie and joined by Judges Mayer and O'Malley, the Federal Circuit affirmed the District Court's finding that the case was exceptional under 35 U.S.C. § 285 in light of various instances of litigation misconduct and other bad faith behavior. (*Eon-Net LP*, v. *Flagstar Bancorp*, Case No. 09-1308 (2009)).

(i). "Willful Intent" or "Willful Infringement".

Since *Amazon* has raised and introduced the subject of pleading or proving "willful intent" or "willful infringement", let it be known that pursuing such was not a primary focus of Plaintiff *Nomura* since greed is a most dishonorable virtue and punitive measures were not initially considered since Plaintiff *Nomura*'s intent has been "Good Faith" negotiations and

partnership with, not punishment of, *Amazon*. However, given the manner in which Plaintiff *Nomura* and his patent have been treated or, rather, mistreated and completely disrespected-Plaintiff *Nomura* believes this may no longer be possible and, therefore, is no longer the case.

As fate would have it, upon further investigations and research subsequent to *Amazon*'s Answer and Counterclaims filed on Sept. 12, 2011, it has been discovered that there is clear "willful intent" and "willful infringement" by *Amazon* to deliberately infringe patent '622.

As can be seen in *Amazon*'s current "Amazon.com Help: Amazon Instant Video Terms of Use (Updated 2/22/2011)" (herein "*TOU*") section of *Amazon*'s website (http://www.amazon.com/gp/help/customer/display.html/ref=hp_left_cn?

ie=UTF8&nodeId=200026970) —a snapshot of their *TOU* page is included herein as **Exhibit 01**— *Amazon* clearly identifies—in paragraph "1. THE SERVICE" of their *TOU*— evidence which clearly shows Defendant's newly re-branded service "Amazon Instant Video service (formerly known as Amazon Video On Demand) (the "Service")" was, in fact, formerly named "Video On Demand". As it so happens, "Video On Demand" is the identical, intentionally and carefully chosen, descriptive title of Plaintiff *Nomura*'s '622 patent.

Curiously, *Amazon*'s *TOU* (as of Sept. 21, 2011 when captured) shows as being "Last Updated: February 22, 2011". That date was just days prior to Plaintiff *Nomura*'s patent infringement Complaint being filed on March 11, 2011. Upon more recent viewings, *Amazon*'s *TOU* now shows "Last Updated: September 28, 2011". However, their *TOU* still includes the "formerly known as Amazon Video On Demand" reference.

Further research shows *Amazon*, in fact, launched their original "Video On Demand" service on or about September 04, 2008. This date is based on various media, news, and blogs available from that time period. One such article is "First look: new Amazon Video on Demand delivers, with caveat" (http://arstechnica.com/old/content/2008/09/first-look-new-amazon-video-on-demand-delivers-with-caveat.ars) and is included for reference and in support of Plaintiff *Nomura*'s infringement claims, and current motion, herein as **Exhibit 02**.

Amazon re-launched their "Video On Demand" service as a re-branded "Amazon Instant Video" service on or near Feb. 22, 2011. This fact is again confirmed by various media, blog,

and news websites- one of which is *Amazon*'s own, or affiliate, blog named "End User: Prime Time for Amazon Instant Video" (http://www.enduserblog.com/2011/02/prime-time-for-amazon-instant-video.html), a snapshot of which is included herein as **Exhibit 03**.

Also please notice in **Exhibit 03** – in the "Comments" section at the end of the blog article– the very first comment is from a very displeased *Amazon* customer and reads:

Atlanta Roofing on February 22, 2011 at 10:35 PM

Amazon instant video has a catalog of 35,000 movies, if you use the "Prime" filter, it reduces the count down to 1,668 Movies and 484 TV Shows. How does Amazon get away with claiming that they 5,000 movies and TV shows for Prime instant streaming? Checked out the Prime eligible movies, save your money.

Clearly, *Amazon* has great difficulty being honest and truthful in their marketing and advertising claims- as well as with these proceedings. Obviously, if *Amazon* is willing to **intentionally and willfully** "misrepresent the facts or truth" –a pleasant euphemism for "lie"– to their own loyal customers (as demonstrated in **Exhibit 03**), in order to <u>make</u> Billions of dollars, then what faith should we have that *Amazon* will not do, and has not already done, the same to Plaintiff *Nomura* –and to this Court, for that matter– in order to <u>protect</u> those same Billions and/or their opportunity(ies) to make more Billions?

As it so happens- Amazon and/or Amazon's Counsel have, in fact, willfully and deliberately submitted one or more false statements to this Court- well beyond their specious claims that they "have not infringed", "do not infringe", "are not liable", and that patent '622 is "invalid and unenforceable".

On Sept. 20, 2011, *Amazon* submitted a separate Case Management Statement. In said statement, *Amazon* writes, "On September 9, 2011, Mr. Nomura emailed counsel for Amazon requesting a meeting to discuss the case. Counsel for Amazon responded to Mr. Nomura on September 10, 2011 and again on September 16, 2011 but have not received a response from Mr. Nomura as of the date of filing of this Case Management Statement. As a result, and because Mr. Nomura is not represented by counsel, pursuant to Local Rule 16-9(a), Amazon submits this

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separate case management statement."

As a matter of material fact, the aforementioned statements are simply NOT true.

On Monday, Sept. 19, 2011 at or around 5:32pm, Plaintiff *Nomura* emailed *Amazon*'s senior Counsel, Bryan Sinclair, and at or around 10:20pm of that same day, Mr. Sinclair responded to Plaintiff. These emails are included herein as **Exhibit 07**. As the Court may recall, this is not the only time Plaintiff *Nomura* has brought such conduct to the Court's attention.

Returning back to the matter of *Amazon*'s *TOU* and affirmative defenses- if it pleases the Court, take notice that the remaining language contained therein Defendant's *TOU* (herein shown in **Exhibit 01**) clearly identifies *Amazon* is –based on their own description– with absolute certainty, in fact, using technology(ies), method(s), and process(es) as well as design, user interface, storage, distribution, and business model(s) – all of which are identical, or bare remarkable similarity, to description(s), claim(s) and disclosure(s) as set forth in Plaintiff *Nomura*'s '622 patent.

Likewise, as with most large, multinational, businesses- *Amazon* frequently takes a very strong aggressive position –offensively and defensively— to make every effort possible to protect its business, 'brand', technologies, methods, processes, and models via *Amazon*'s robust collection of trademarks and patents. This fact is exemplified in several sections of *Amazon*'s website, snapshots of which are included herein as **Exhibit 04-06**.

Exhibit 04 is the "Amazon.com Help: Conditions of Use"

(http://www.amazon.com/gp/help/customer/display.html/ref=footer_cou?

ie=UTF8&nodeId=508088) section of Amazon's website. Within this page, there are links to

"Amazon.com Help, Non-Exhaustive List of Amazon Trademarks"

(http://www.amazon.com/gp/help/customer/display.html/?nodeId=200738910) and to

"Amazon.com Help- Non-Exhaustive List of Amazon-affiliate Patents"

(http://www.amazon.com/gp/help/customer/display.html/?nodeId=200204190) both lists, are

herein included as Exhibit 05 and Exhibit 06, respectively.

Exhibit 05 shows a list of trademarks, and, **Exhibit 06** shows a list of patents both of which are frequently utilized by *Amazon* to protect its current and future business interests.

Unfortunately, "Video On Demand" –or anything remotely similar to Plaintiff *Nomura*'s '622 patent– is NOT contained amongst *Amazon*'s sizable, yet "non-exhaustive" trademark and patent collections listed therein.

9. Conclusion: Amazon's Affirmative Defenses should be stricken.

Amazon's affirmative defenses do little more than refer to a legal doctrine without any explanation of how such types of factual allegations –if Amazon submitted any– might actually render that doctrine applicable. As such, they are insufficient. See Quabon.com, 315 F. Supp. at 1049 (in an affirmative defense, "reference to a doctrine, like a reference to statutory provisions, is insufficient notice"). Even a most liberal reading of Amazon's Answer reveals little more than speculative unsupported unsubstantiated claims, some of which are so deficient as to make them sufficiently unclear if they have anything to do with the affirmative defenses being asserted.

In any event, *Amazon* should not be able to use these general conclusory affirmative defenses as a way to substitute and delegate —onto this Court—*Amazon*'s own responsibilities and obligations to prove its inadequately-pled defenses in this case. Because those defenses have little-to-no factual content, it is impossible to tell what facts support these affirmative defenses and whether, for example, they are another way to simply allege that Plaintiff's '622 patent is "invalid and unenforceable" and/or that "Amazon does not infringe, has not infringed, and is not liable for the infringement." Thus, for the same reasons that *Amazon*'s counterclaims should be dismissed, *Amazon*'s affirmative defenses should be stricken-post-haste.

(i). Patent Infringement Damages.

Amazon's woefully inaccurate and wastefully inadequate affirmative defensive 'claims' regarding: (a) "Willful Infringement", (b) "No Injunctive Relief", and finally (c) "Limitation on Damages" all have a significant potential –especially collectively— for unjustly eliminating or severely reducing several of Plaintiff Nomura's important legal rights. Claims (a) and (b) have already been discussed rather extensively, hereinbefore. However, in claim (c) for example, Amazon alleges that damages are "limited by 35 U.S.C. § § 154 and 286-288".

Yet, as Plaintiff *Nomura* has discovered, lost profits or reasonable royalties are damages available for patent infringement. Interest on the damages can often be as much as the damages.

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Damages for patent infringement are governed by 35 U.S.C. § 284 which provides, "Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court."

The United States Supreme Court interpreted the law as follows, "[T]he present statutory rule is that only 'damages' may be recovered. These have been defined by this Court as 'compensation for the pecuniary loss he [the patentee] has suffered from the infringement' They have been said to constitute "the difference between his pecuniary condition after the infringement, and what his condition would have been if the infringement had not occurred." Aro Mfg. Co. v. Convertible Top Co., 377 U.S. 476, 507 [141 USPQ 681] (1964) (citations omitted).

The Aro decision further made clear that infringement damages are not determined by the infringer's profits, but by the loss to the patent owner. "But the present statutory rule is that only 'damages' may be recovered. These have been defined by this Court as 'compensation for the pecuniary loss he [the patentee] has suffered from the infringement, without regard to the question whether the defendant has gained or lost by his unlawful acts." Aro at 506 (citations omitted). However, the district court's use of an infringer's profit margin for comparison purposes in determining the reasonableness of a patent owner's estimate of lost profits did not constitute an abuse of discretion. Kori Corp. v. Wilco Marsh Buggies and Draglines, Inc., 761 F.2d 649 (Fed.Cir.1985).

In the relatively famous instant-camera infringement case of Polaroid Corp. v. Eastman Kodak Co., 1481, 1484 [16 USPQ 2d] (1990) the United States District Court for the District of

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Massachusetts explained that there are two ways to calculate damages. The first and preferred method is lost profits. The second is reasonable royalty. "The general rule for determining the actual damages to a patentee that is itself producing the patented item, is to determine the sales and profits lost to the patentee because of the infringement. Although the statute states that the damage award shall not be 'less than a reasonable royalty,' 35 U.S.C. § 284, the purpose of this alternative is not to provide a simple accounting method, but to set a floor below which the courts are not authorized to go."

When clear and convincing evidence is presented that an infringer acted willfully to infringe a patent, the law permits "increased damages up to three times the damage amount found or assessed." The Court of Appeals for the Federal Circuit has altered the landscape of the law on infringement damages and is generally considered to have made damages more rational and related to the total losses sustained by the patent owner.

A first example is Uniloc USA, Inc. v. Microsoft Corp., decided Jan. 04, 2011 (2010-1035, -1055), wherein the Federal Circuit held that there is no rule of thumb that 25% of the expected profit rate would be an assumed baseline license rate when calculating patent infringement damages. Citing others, the Federal Circuit observed: "([The 25 percent rule] takes no account of the importance of the patent to the profits of the product sold, the potential availability of close substitutes or equally non-infringing alternatives, or any of the other idiosyncrasies of the patent at issue that would have affected a real-world negotiation... it fails to 'distinguish between monopoly and normal profit..." The Court held: "This court now holds as a matter of Federal Circuit law that the 25 percent rule of thumb is a fundamentally flawed tool for determining a baseline royalty rate in a hypothetical negotiation. Evidence relying on the 25 percent rule of thumb is thus inadmissible under Daubert and the Federal Rules of Evidence, because it fails to tie a reasonable royalty base to the facts of the case at issue."

A second example is Lucent Techs., Inc. v. Gateway, Inc., 580 F.3d 1301, 1324 (Fed. Cir. 2009), wherein the Federal Circuit reiterated that "The second Georgia-Pacific factor is '[t]he rates paid by the licensee for the use of other patents comparable to the patent in suit.' 318 F. Supp. at 1120." The Court stated that the claimant must "prove that the licenses relied on were

sufficiently comparable" to what would prevail in the hypothetical royalty negotiation in order to be usable for purposes of damages calculation in an infringement damages calculation.

And a third example is *In re Seagate*, 497 F. 3d 1360 (Fed. Cir. 2007), where the Federal Circuit held that in order to support an award of special damages (treble damages), one must prove "willful infringement... [with] at least a showing of objective recklessness."

In *Polaroid Corp. v. Eastman Kodak Co.*, 16 U.S.P.Q.2d 1481 (D. Mass. 1990), Polaroid argued for a 72.5% reasonable royalty for cameras and a 63.4% reasonable royalty for film, essentially equating its reasonable royalty claims to its claims for lost profits. Kodak countered with a detailed Georgia-Pacific analysis and contended a reasonable royalty would be 5%. Far from splitting the difference, the District Court found Kodak's analysis persuasive and awarded Polaroid only 10%, which was far closer to Kodak's number than to Polaroid's. The hundreds of millions of dollars that Polaroid undoubtedly left on the table by overreaching for 60 to 70% rather than contending for a 25 or 30% reasonable royalty is a stern lesson that reasonable rather than extreme positions are the key to the success of not only the infringer, but also the patent owner. The Court awarded Polaroid nearly one-billion (approximately \$873 million) U.S. dollars.

Further more, the Federal Circuit in *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1544-49 (Fed Cir. 1995) (*en banc*), dispelled the notion that patent owners must practice their own patents to be entitled to lost profits. Patent owners that compete with infringers and lose sales because of the infringement can meet the "but for" test even if their own product is not covered by the patent in suit or any patent for that matter.

Therefore, it is Plaintiff *Nomura*'s understanding that *Amazon*'s infringement has directly prevented –and is <u>still</u> preventing– standard licensing and/or royalty agreements with other business(es) that utilize or wish to utilize any portion(s) of the "Video On Demand" patent '622 descriptions, claims and/or disclosures within their past, present, or future business operations. This catastrophic loss has been tremendously devastating –financially and otherwise– to Plaintiff *Nomura*.

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As Plaintiff Nomura understands the law, Amazon is liable for ALL of Plaintiff Nomura's cumulative losses to-date, as total damages incurred therefrom all such patent infringements. Amazon's liability clearly exists —in a causal relationship due to Amazon's, its affiliates' and its third-parites' direct, induced, and/or contributory infringements—since Plaintiff Nomura has been unable to obtain any patent licenses and/or royalty agreements with the hundreds -if not hundreds of thousands- of businesses who utilize or have utilized -in part or in whole or in close similarity to-descriptions, claims and/or disclosures found in patent '622.

C. Summary Judgment, Rule 56 Standards.

As the Honorable Magistrate Judge Edward A. Infante (Ret.) states regarding Fed. Rule of Civ. Proc. 56 within his Coinstar, Inc. v Coinbank Automated Systems, C97-20536-EAI (N.D. Cal. Jan. 26, 1998) patent infringement "Motion for Summary Judgment" decision:

> Summary judgment is proper "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Rule 56(c), Fed.R.Civ.P. The moving party bears the initial burden of demonstrating the absence of a genuine issue of material fact. Celotex Corp. v. Catrett, 477 U.S. 317, 323, 106 S.Ct. 2548, 2553, 91 L.Ed.2d 265 (1986). However, the moving party has no burden to negate or disprove matters on which the non-moving party will have the burden of proof at trial. The moving party need only point out to the court that there is an absence of evidence to support the nonmoving party's case. Celotex, 477 U.S. at 325, 106 S.Ct. at 2554.

> The burden then shifts to the non-moving party to "designate 'specific facts showing that there is a genuine issue for trial.' "Id. at 324, 106 S.Ct. at 2553 (quoting Rule 56(e)). To carry this burden, the nonmoving party must "do more than simply show that there is some metaphysical doubt as to the material facts." Matsushita Electric

Industrial Co., Ltd. v. Zenith Radio Corp., 475 U.S. 574, 586, 106 S.Ct. 1348, 1356, 89 L.Ed.2d 538 (1986). "The mere existence of a scintilla of evidence ... will be insufficient; there must be evidence on which the jury could reasonably find for the [non-moving party]." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 252, 106 S.Ct. 2505, 2512, 91 L.Ed.2d 202 (1986). Evidence that "is merely colorable, or is not significantly probative," is not sufficient to avoid summary judgment. Id. at 249-250, 106 S.Ct. at 2511.

Summary judgment can be granted if there is no genuine issue of material fact for trial and the moving party is entitled to judgment as a matter of law. See Fed. Rule of Civ. Proc. 56(c); Anderson v. Liberty Lobby, Inc., 477 U.S. at 242, 251-252 (1986). A "material" fact is one which might affect the outcome of the case under the applicable law. Anderson v. Liberty Lobby, Inc., 477 U.S. at 248, 106 S.Ct. at 2510 (1986) (holding that a court must determine whether evidence presents a sufficient disagreement to require submission to a jury or whether it is so one-sided that one party must prevail as a matter of law). A dispute about a material fact is genuine if a reasonable jury could return a verdict for the non-moving party. Id. In deciding a motion for summary judgment, the evidence is viewed in the light most favorable to the non-moving party, and all justifiable inferences are to be drawn in its favor. Id. at 255, 106 S.Ct. at 2513. Moreover, "[c]redibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge [when] he is ruling on a motion for summary judgment." Id.

Determining infringement (or non-infringement) involves a two-step process. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996). The first step requires the Court to construe the claims to ascertain their meaning and scope. *Id.* The second step requires a comparison of the construed claims to the Accused Products to determine whether the elements in the asserted claims are found in that product. *Id.*

While infringement, either literal or under the doctrine of equivalents, is a question of fact, summary judgment may nevertheless be granted "when no reasonable jury could find that

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every limitation recited in the properly construed claim either is or is not found in the accused device." *Bai v. L & L Wings*, 160 F.3d 1350, 1353 (Fed. Cir. 1998). That is true even were there are incidental claim construction issues not yet resolved. Claim construction is a question of law for the Court to decide, and as the Court has recognized, resolution of such issues in connection with a motion on infringement often provides necessary context to fully frame such issues. *Rheox, Inc. v. Entact, Inc.*, 276 F.3d 1319, 1324 (Fed. Cir. 2002).

For the record- Plaintiff *Nomura* has submitted sufficient statements of fact and sufficiently supportive examples of evidence which clearly demonstrate *Amazon*—despite their 'claims' to the contrary— is, as a material fact, infringing on Plaintiff *Nomura*'s 622 patent.

To that end, despite having more than six (6) months to prepare, *Amazon* has proffered not one single sensible scintilla or even a tiny tantalizing tidbit of <u>factual</u> evidence –of any kind-to support and solidify the Defendant's purported claims and defenses- especially their specious boiler-plate formulaic claims and defenses that patent '622 is invalid and unenforceable and that *Amazon* is not infringing and does not infringe. Absent any such evidence, the Court must be duly swayed by the preponderance of factual statements, factual claims, and factual evidence submitted hereto by –and in support of– Plaintiff *Nomura*. Accordingly, Plaintiff *Nomura*'s Motion for Summary Judgment of patent infringement should be so ordered- post-haste.

CONCLUSION

Plaintiff *Nomura*'s patent infringement case is actually quite simple. *Amazon*, however, is doing its best to confuse and complicate this matter, as well as erroneously repudiate Plaintiff's claims, in their best efforts to obfuscate the material facts and obscure the actual truth – all of which provides *Amazon* the opportunity to avoid clear and certain ethical, legal, and financial responsibilities –as well as the related consequences– as a result of their choices and actions, or lack thereof.

Simply put, *Amazon* is now in a corporate "*C.Y.A. - Cover Your Assets*" crisis management, or deferment, mode.

Sunlight is indeed an excellent disinfectant and, as similarly searing lights have shown, the facts of this case clearly expose the ethics, values, and virtues *Amazon* covets closest.

Page -20 of 53-

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Based on the frequency with which Plaintiff Nomura has experienced such misconduct and "bad faith", clearly this behavior has become rampant "common practice" for attorneys, and their law firms, as well as executives, and their corporations, to conduct themselves and their businesses in an unforgivable manner of such low standards. It should be a federal offense –if not a federal criminal act—to lie to a federal judge- complete with mandatory prison time for such offenses.

This Court has leave —if not a legal, moral, and ethical duty and obligation—to immediately wield its powerful authority in ways and means to establish new standards by which ALL must conduct themselves henceforth. Plaintiff Nomura respectfully requests this Court issue appropriate sanctions commensurate with the egregious conduct experienced herein and thereby unnecessarily inflicted upon Plaintiff Nomura.

In its Counterclaims, Amazon asks the Court -twice- for a "Declaratory Judgment" that patent '622 is invalid and unenforceable. Plaintiff Nomura strongly submits that it is Amazon's sole responsibility, duty, and "burden of proof" –**NOT** the Court's– to affirmatively factually establish, without a doubt, such invalidity and unenforceability as well as their other claims, and to also provide evidence to support such claims and defenses.

Amazon has failed to provide ANY material facts or evidence that support their specious claims and/or their affirmative defenses, let alone any level of facts or evidence sufficient to influence a jury, or this Court, to believe such. Amazon has had six (6) months to prepare a defense, including the collection of any relevant evidence necessary to prove their claims that patent '622 is invalid and unenforceable, or, that Amazon is not infringing upon said patent. Yet, Amazon has willfully chosen not to do so- not even so much as submitting an opinion letter from patent counsel in support of Amazon's claims. Additionally, Amazon has failed to initiate any actions with the United States Patent and Trademark Office ("USPTO") -the appropriate governing body to process such claims of invalidity—to procure an administrative action for Reexamination in support of Amazon's claims for patent invalidity.

Amazon has also had more than sufficient opportunities –throughout recent years, or even during the months since being served with Plaintiff *Nomura*'s complaint—to initiate procedures

that could support or finally determine such claims of invalidity and unenforceability. Yet, to the best information and knowledge available to-date, *Amazon* has chosen not to initiate <u>any</u> of those very viable procedures either.

Plaintiff *Nomura* respectfully submits and hereby asserts that *Amazon* has repeatedly and consistently proffered no proof because they clearly have none. Sadly, and similarly, *Amazon* also possesses no patent for the "Video-On-Demand" business they are now so firmly entrenched within and exceedingly well rewarded –financially and otherwise– therefrom.

Therefore, based on the body of evidence before this Court, and based on Summary Judgment Standards, as well as the other related and relevant information included here to-date and hereinbefore, Plaintiff *Nomura* respectfully submits that this Court certainly has the right –if not a legal obligation– to find in favor of Plaintiff *Nomura* and to immediately:

- 1) Dismiss Defendant's Counterclaims;
- 2) Strike all of Defendant's Affirmative Defenses;
- 3) Grant Plaintiff's Summary Judgment, in its entirety, post-haste.

Finally –for the record– it must be formally and officially stated that the level of deception, dishonesty, and legal trickery experienced with/from *Amazon* and/or *Amazon*'s Counsel has been beyond disgusting and reprehensible.

Winning-at-any-cost is for life-long losers. In litigation –like war– few people ever actually 'win' anything, and even when they do, those wins <u>always</u> come at great cost. *Mr*. *Nomura* prefers a win/win philosophy.

Respect. Honor. Honesty. Integrity. Decency. Dignity. Class. Grace.

These are all virtues that cannot be bought or sold like most other corporate capitalistic commodities. Such virtues can only exist, hopefully and truly, within the character – the very essence, soul, and fiber of our being – for each and every one of us throughout the human race.

It has been extremely disturbing, displeasing, and disappointing that Plaintiff *Nomura* has been forced to endlessly endure and senselessly suffer through these repetitious unsettling experiences of such egregious *win-at-any-cost* unprofessional conduct and unbecoming character from *Amazon* and/or *Amazon*'s Counsel employed by the law firm of K&L Gates.

1	Rather than openness and cooperation toward expeditious negotiations and amicable
2	resolve, Defendant Amazon and/or Defendant's Counsel have, instead, defiantly and willfully
3	chosen to be obstinate and contentious as well as sinisterly suspicious, surreptitious and surly.
4	Amazon has disrespected Plaintiff Nomura as well as his Patent 7, 254,622 (with the
5	years of laborious efforts required for constructing and final granting of Patent), disrespected the
6	USPTO, disrespected this Court, and disrespected the patent and legal processes as a whole.
7	Mr. Nomura would have preferred a route of fair and equitable win/win negotiations.
8	Now, Plaintiff Nomura has every best belief and firmest faith that this Court can and will deliver
9	the appropriate level of honest, fair and righteous justice –in an expediently lawful manner– to
10	FULLY remedy <u>all</u> factual matters that have been heretofore presented before this Court.
11	[PROPOSED] ORDER
12	The Amended Motion to Dismiss Counterclaims and Strike Affirmative Defenses and for
13	Summary Judgment is hereby adopted by the Court for the case.
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15	It is HEREBY ORDERED THAT:
16	(1) Plaintiff's Amended Motion to Dismiss Counterclaims is hereby GRANTED .
17	(2) Plaintiff's Amended Motion to Strike Affirmative Defenses is hereby GRANTED .
18	(3) Plaintiff's Amended Motion for Summary Judgment is hereby GRANTED .
19	The parties are ordered to immediately comply with this Order.
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21	IT IS SO ORDERED.
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23	Dated:
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25	By:
26	Magistrate Judge Howard R. Lloyd
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Page -23 of 53-

Case5:11-cv-01210-HRL Document41 Filed10/12/11 Page29 of 29 Respectfully submitted, Dated this 11th day of October, 2011 By: iya Joe Nomura, Pro Se Plaintiff Page -24 of 53-